respect of the public sector employees, the tax proposals for the Union Budget 2008-09 have provided significant relief for the tax paying public sector employees. The Government has also constituted the Sixth Central Pay Commission, which is expected to give its recommendations shortly.

Waiving of Farm Loans

1922. SHRI RAMDAS AGARWAL:
SHRIDARA SINGH:

Will the Minister of FINANCE be pleased to state:

whether Government has reportedly agreed that farm loans worth around Rs. 100,000 crore classified non-performing and overdue, be set aside for five years and defaulting farmers, who are in debt with no fresh assistance forthcoming, be given more credit;

if so, how much loan would be written off every year, if farmers paid their instalments on time;

whether Government would be able to deposit Rs. 100,000 crores with banks if not immediately, then over a five-year period; and

what budgetary provisions are likely to be made during ensuing Budget for 2008-09?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) In the Union Budget 2008-09, the Government has announced a debt waiver and debt relief scheme for farmers, which covers all agricultural loans disbursed by schedueld Commercial Banks (SCBs), Regional Rural Banks (RRBs) and Cooperative Banks upto 31st March, 2007 and overdue as on 31st December, 2007. The scheme stipulates complete waiver of all loans that were overdue on 31.12.2007 and which remained unpaid untill 29.02.2008 for small and marginal farmers, while there is a One Time Settlement (OTS) scheme for other farmers during the same period. The OTS covers a rebate of 25% against payment of the balance amount of 75%.

Government estimates that about three crore small and marginal farmers and about one crore other farmers whose loans are overdue on 31.12.2007 will benefit from the scheme. The total value of overdue loans being waived is estimated at Rs. 50,524 crore and the OTS relief on the overdue loans is estimated at Rs. 9,790 crore.

Adoption of Methodology of Grameen **Bank**

1923. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of FINANCE be pleased to state:

whether Government is aware that only 2 to 3 per cent of eligible small/poor borrowers are being given loans through microfinance institutions and the potential borrowers are about 30 crores as revealed in a research-oriented study conducted by Deutsche Bank;

if so, what is the perspective planning in this regard; and

whether it is feasible to adopt the methodology of Grameen hank as propounded by Nobel Peace Prize Winner Mohd. Yunis of Bangladesh where it has achieved significant success by way of 35 per cent penetration?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Micro Finance Institutions (MFIs) are presently not regulated in the country. As such the data regarding percentage of eligible small/poor borrowers being given loans through MFIs operating in the country is not available. However, as per data received from banks, bank loans amounting to Rs. 1584.48 crore were outstanding against 550 MFIs as on 31 March 2007.

To regulate these MFIs, the Government has introduced a Bill in Lok Sabha on 20.03.2007 called "The Micro Financial Sector (Development and Regulation) Bill, 2007" to create environment friendly policy for micro-finance services in the country. The Bill is intended to provide a formal statutory framework for the promotion, development and regulation of the micro finance sector.

To bring the 'financially excluded' population within the formal banking system, Banks have been instructed to achieve financial outreach through provision of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, NGOs, Post Offices as Business Faciltator/Business Correspondent Model, etc.

The MFIs, by and large, are adopting methodology, which they find is convenient and safe. However, various independent studies have shown that a number of MFIs are already following the Grameen bank model for dispensing credit to eligible clients.

Insider Trading in Reliance Petroleum's Shares

1924. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

whether Government has taken any action against the promoters/affiliates of Reliance Industries Ltd. regarding the recent mammoth insider trading activities in the shares of Reliance Petroleum Ltd.;

if so, the details thereof; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) SEBI has informed that it has initiated an examination in the matter.

Government help for farmers

1925. SHRI JESUDASU SEELAM:

SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state:

whether any effort is being made by Government to help farmers who are unable to cope with the changing market conditions and achieve a four per cent agricultural growth during the Eleventh Five Year Plan; and

if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Government of India has launched the National Food Security